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APPLICATION

7978-65502

Honorable James H. Welsh Commissioner of Conservation P.O. Box 94275 Baton Rouge, LA 70804-4275

Re:

67 Sand, Reservoir B

Deep Lake Field

Cameron Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CLAYTON WILLIAMS ENERGY, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **67 Sand**, **Reservoir B**, **Deep Lake Field**, Cameron Parish, Louisiana, to-wit:

- 1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the 67 RB SUA;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- To designate Clayton Williams Energy, Inc. as the unit operator for the proposed unit;

4. To designate the Clayton Williams Energy, Inc. - Miami Corp. No. 1 Well as the unit well for the proposed unit:

- 5. To provide that any future wells drilled to the 67 Sand, Reservoir B, within or outside of the proposed unit, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the 67 Sand, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 67 Sand, Reservoir B, in the Deep Lake Field, Cameron Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 12,881 feet and 13,013 feet (electrical log measurements) in the Clayton Williams Energy, Inc. – Miami Corp. No. 1 Well, located in Section 28, Township 15 South, Range 3 West, Cameron Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on the 15th day of February, 2006, at The Onebane Firm, 1200 Camellia Blvd., Suite 300, Lafayette, Louisiana, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. Bill Dale, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefore, and answered questions. Counterplans were presented by Paul Perret, representing the E. K. Miller Foundation, David Sturlese, representing Millridge, LLC, and David Comeaux representing Aspect Resources. There was some discussion of a compromise plan, however, no agreement could be reached, and the conference was then adjourned.

Subsequent to the conference, further discussions have led to a compromise plan that will either be supported, or not opposed, by all parties except for the E. K. Miller Foundation, which is the plan reflected on the attached plat. We expect that there will be opposition by the E. K. Miller Foundation.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting Bill Dale at W.H. Robbins & Associates, 302 La Rue France, Lafayette, Louisiana 70508, (337)232-5004.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. S

RCS/elg/bad

Enclosures

CC:

Mr. Richard Hudson, District Manager Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

